

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(PUBLIC HEARING – PROPOSED FY2006 BUDGETS)**

May 17, 2005

6:30 PM

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Smith.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Roy, Gatsas, Guinta, Sysyn, Osborne, O’Neil,
Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest

Absent: Alderman Porter

Mayor Baines advised that the purpose of the special meeting is a public hearing to receive comments on the proposed Fiscal Year 2006 municipal budget, the proposed Community Improvement Program for the Fiscal Year 2006 to 2011 period in accordance with the procedures established in RSA 44:10, and in satisfaction of any other local, state or federal law that may apply. Mayor Baines notes that the Clerk shall present the resolutions, the subject of which contain all of the appropriations presented proposed, following which a brief presentation may be made and public comments will be heard.

The Clerk presented the proposed Resolutions:

“Establishing a Non-Capital Reserve Account pursuant to RSA 34:1-a.”
A resolution providing that the Board of Mayor and Aldermen may appropriate not more than ten percent principal, or any investment earnings thereon, for non-capital purchases for motorized equipment, technology or other assets with a five year life or less; and providing that the Board of Mayor and Aldermen may appropriate an amount not to exceed seventy-five percent of the investment earnings from the prior fiscal year.

“Raising Monies and Making Appropriations for the Fiscal Year 2006.”
A resolution providing for appropriations totaling \$117,296,519.

“A Resolution appropriating to the Manchester School District the sum of \$142,203,719 for the Fiscal Year 2006.”

“A Resolution appropriating to the Manchester School Food and Nutrition Services Program the sum of \$5,512,450 from School Food and Nutrition Services Revenues for Fiscal Year 2006.”

“A Resolution appropriating to the Manchester Aggregation Program the sum of \$834,682 from Aggregation Fees for the Fiscal Year 2006.”

“A Resolution appropriating to the Manchester Airport Authority the sum of \$57,057,100 from Special Airport Revenue Funds for Fiscal Year 2006.”

“A Resolution appropriating the sum of \$3,245,749 from Recreation User Charges to the Recreation Division for Fiscal Year 2006.”

“A Resolution appropriating the sum of \$15,184,335 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2006.”

“A Resolution appropriating to the Manchester Transit Authority the sum of \$1,074,691 for the Fiscal Year 2006.”

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2006 and held in the Civic Center Fund, for the payment of the City’s Obligations in Said Fiscal Year Under the Financing Agreement.”

“Approving the Community Improvement Program for 2006, Raising and Appropriating Monies Therefore, and Authorizing Implementation of Said Program.”

A resolution providing for appropriation of \$68,076,298, which may be requested from federal, state and private grant fund sources through various grant programs; approximately \$3,286,577 in federal Community Development Block Grant program funds including program income, Emergency Shelter Grant funds, and HOME funds; approximately \$1,844,565 in FY2006 municipal funds; and \$321,693,000 for projects financed through enterprises and fees. The FY2006 program calls for no proceeds from the issuance of short-term notes and general obligation bonds for the FY2006.

“A Resolution appropriating to the Central Business Service District the sum of \$225,000 from Central Business Service District Funds for Fiscal Year 2006.”

“Continuation of the Central Business Service District.”

Mayor Baines advised that the meeting shall be open to public comment; that each person when recognized shall come to the nearest microphone, state their name and address in a clear and loud voice for the record; that each person shall be given one opportunity to speak and comments shall be limited to three minutes to allow all participants the opportunity to speak; that once all present have been allowed to speak should there be a topic not discussed those wishing to speak a second time shall be provided the opportunity to do so.

Bradford Cook, 150 Heather Street, Manchester stated:

I am here to talk about the budget process and certain proposals that I read about in the press this morning. I was a member of the last two Charter Commissions where we formulated a process for budgets that I think works. It allows for a deliberative process that develops a budget over time, takes the Mayor’s budget and works with it and comes up with a consensus budget. As a member of the School Board and for some inexplicable reason I was the negotiator with the sending districts and Bedford for the contracts that exist. A last minute budget based on a political campaign has a tendency not to be good for a city or any other kind of community. Manchester has gotten away from the process of having election year budgets and non-election year budgets and has had a tendency to have budgets that are steady, built on each other and allow us to have sustainable growth. They work. Budgets

based on using future revenue now or monies set aside for future use now or based on subjective or hoped for consolidations or efficiencies that may be discovered in the future have led many new politicians to the realization that those things get caught up in inertia and politics and are not able to be done. In fact I think I have been involved in some campaigns where those kind of promises didn't come to fruition myself but the thing I am really concerned about was the report in the press this morning that there is a proposal perhaps being brought before you to spend certain of the revenue from the Bedford tuition agreements in advance of when it was expected to be expended. I believe this to be unwise and dangerous for several reasons. One, the negotiated contract with Bedford produces revenue that supports 10 years of a bond issue over a short period of time. This creates a large amount of money that is here now but is being relied on in a bond issue to be expended and available over time. If you spend it now or more than the amount that City Finance has indicated is available you do several things. You create a hole in future budgets, which will result in a spike in taxes to make those payments when they are needed. You make bond holders nervous because the bonds were issued with the expectation of that revenue and I don't know and Mr. Sherman probably can tell you because I am not an expert on the terms of the bond issues that that may in fact not be allowed but it certainly would have an effect on the bond rating and the confidence of the bond holders. You face a situation as you know where Bedford has voted to build its own high school and you will be grappling in future years with the loss of the regular tuition revenue from them and that would create a double problem in the future. Finally, there are some legal challenges to the contract still out there although I don't think they are going to be successful. So for all of these reasons I would urge you not to give in to the siren call of spending present revenue that was set aside for a specific purpose to reduce taxes now when all it will do is create taxes later.

Cliff Hurst, 1511 Northbrook Drive, Manchester stated:

Thank you for the opportunity to speak. I read in the paper today that our Republican candidate for Mayor can't add but it looks like maybe he can subtract. The people I have been talking to want someone who knows how to subtract and that is something Frank Guinta will do. Recently all that City government has been doing is adding and adding and adding. I recently spoke with a young couple. Jen is a school teacher and her husband is a fireman and they told me they have been looking to buy a home in Manchester but cannot afford to purchase a home here because of the tax rate in the City. What we are talking about today is not just about how we will fund our City. It is also about how we can best facilitate the highest standard of living possible for our citizens. As the taxes continue to increase, it will affect our citizen's standard of living. Whenever City spending grows faster than our citizen's income and we do not provide them an equal level of service to the rate of money spent, we lower their standard of living. We have seen cumulative tax increases of 16% over the last three years. How many of our citizens have seen their income grow at that rate? Tax increases raise the cost of one of the most essential needs our citizens have, a place to live. This affects not only homeowners but it affects renters and businesses alike. If we want long-term economic growth we must insure that Manchester is a place where we facilitate

the highest standard of living possible for our citizens. While some may say that the budget doesn't add up, it does add 10 new police officers, 15 additional teachers, over 10 administrators and \$100,000 for fire department vehicle repair and \$70,000 in protective equipment for our City firemen. With this budget proposal there is one thing we can be sure of. It will not add up to a lower standard of living for our citizens.

All wishing to speak having been heard, the comments presented shall be taken under consideration with actions by the Board and reports by the Committee on Finance to be made at a later date.

On motion of Alderman Smith, duly seconded by Alderman Shea it was voted to adjourn.

A True Record. Attest.

City Clerk